



**Look  
forward to  
retirement!**

Iowa Department of Administrative Services  
**Retirement Investors' Club (RIC)**

## 457/401a Program Summary

### Definition

The Retirement Investors' Club (RIC) is a voluntary retirement savings program offered by your employer. RIC is designed to help you increase your personal savings for retirement and lower your current taxable income. RIC contains two plans: a 457 plan for employee payroll deductions and a 401a plan. RIC's 457 savings plan helps you fund your retirement along with your IPERS and social security benefits. The 401a plan allows you to roll funds into RIC from eligible former employer plans and IRAs.

### Contributions

- ◆ Deductions in the amount you choose (minimum \$25/mo, maximums shown below) are automatically taken from your payroll before state and federal income tax.
- ◆ You may change your contribution amount at any time on the *RIC 457 Account Form*.
- ◆ Your deductions are sent to your RIC provider to be invested as you have directed

**2010 IRS Maximum Contribution Limits** (Please Note: The total of all contributions made to this 457 plan and/or any other government employer's eligible 457 plan in a tax year, must not exceed the IRS maximum regular limit of \$16,500; \$22,000 for employees age 50 or older, and \$33,000 for qualified 3-Year Catch-Up participants.)

Regular Limit	50+ Catch-Up** Limit	3-Year Catch-Up*** Limit
100% of compensation* up to:	For participants age 50 or older, 100% of compensation up to:	The total of the regular limit + missed contributions up to:
<b>\$ 16,500</b>	<b>\$22,000</b>	<b>\$ 33,000</b>

\* Compensation is your gross salary minus your IPERS deductions. The maximum amount you may contribute is reduced by deductions for FICA, insurances, and other required deductions.

\*\* Participants are not able to use the 50+ Catch Up limits and the 3-Year Catch-Up limits at the same time.

\*\*\* If you are within three years of your normal retirement date, you may qualify for the 3 -Year Catch-up Limit.

### Tax Advantages

Your payroll deductions are invested on a pretax basis and your investment earnings grow tax-deferred. Distributions are taxed as ordinary income and reported on a 1099-R.

A Savers' Credit of up to \$2,000 may be available depending on your adjusted gross income level. Consult a tax professional if you have additional questions about this tax credit.

### Investment Selection

Whether your investment need is for safety, income or growth, the investment providers offer a variety of investment options in each of the categories shown in the chart to the right. Changes to investment selections and/or providers within the plan may be made without fees or restrictions.

### Enrollment (always open)

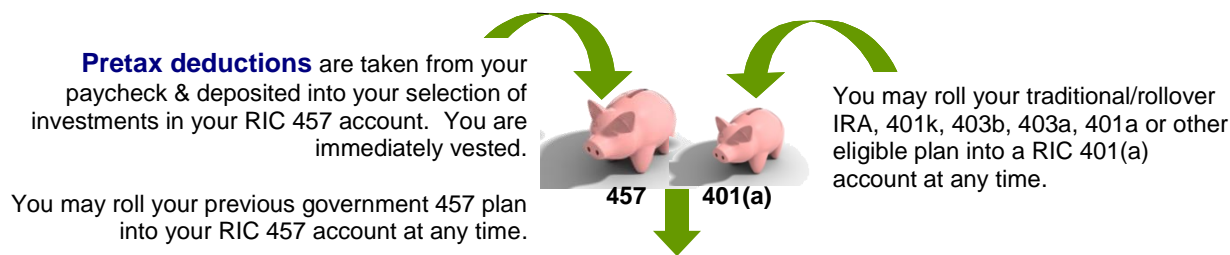
Call a provider today to request enrollment information or an appointment. Your provider will supply you with all the paperwork necessary to open your accounts and begin payroll deductions.

<b>Hartford</b>	<b>800-424-2825 ext. 47627</b>
<b>ING</b>	<b>800-555-1970, 515-698-7973</b>
<b>Security Benefit</b>	<b>800-888-2461 x 2403</b>
<b>TIAA-CREF</b>	<b>888-877-1446</b>
<b>VALIC</b>	<b>515-267-1099, 800-945-6763</b>

Goal	Type
<b>Safety</b>	Fixed Rate Money Mkt
<b>Fixed Income</b>	Intermed Term-High Quality-Core Bond High Yield Treasury Bond (TIPS) Optional
<b>Balanced</b>	Traditional Lifecycle Global
<b>Large Cap Stocks</b>	Large Cap Index Large Cap Value Large Cap Blend Large Cap Growth
<b>Mid Cap Stocks</b>	Mid Cap Index Mid Cap Value Mid Cap Blend Mid Cap Growth
<b>Small Cap Stocks</b>	Small Cap Index Small Cap Value Small Cap Blend Small Cap Growth
<b>Tot US Stock Index</b>	Stock Blend Index
<b>Global/International</b>	World Developed Markets Emerging Mkts
<b>Alternative</b>	Sector Self-Directed Brokerage Account

## RIC works like this

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### Once separated from employment, you may...<sup>1</sup>

Leave your money in RIC, take payments, or roll<sup>2</sup> over to an IRA or other employer-sponsored plan

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<sup>1</sup> In service 457 withdrawals are limited to a qualified Unforeseeable Emergency, Cash Out or Pension Credit Purchase.

<sup>2</sup> If you roll your 457 out of RIC to an IRA or other qualified plan, an IRS 10% penalty may apply for taking payments from the plan prior to age 59 ½

## Distribution Requests at Termination

You may contact your provider directly to request a distribution. More distribution information is available on our website at <http://ric.iowa.gov/457/distributions/terminated.html> or from your provider.

## Distributions While Employed

### ◆ Service Credit Purchase

If you qualify, you may request to move money from your RIC 457 account to IPERS while working for your employer. This is a non-taxable transfer. To find out if you qualify to purchase IPERS credits (or quarters) contact IPERS toll free at 800-622-3849 (281-0020 in Des Moines) or email them at [Info@ipers.org](mailto:Info@ipers.org). If you would like to use RIC 457 money to purchase credits, submit to RIC the IPERS *Rollover/Direct Transfer Form* (provided by IPERS).

### ◆ Unforeseeable Emergency Withdrawal

You must provide proof of financial hardship based on an unforeseeable emergency. Strict federal guidelines determine whether or not your request will be approved. Download an Unforeseeable Emergency Form from the RIC website at <http://ric.iowa.gov/457/forms.html> or request the form from RIC at 866-460-4692.

### ◆ Cash Out

Only available to participants with less than \$5,000 in the 457 and no contributions in the previous 24 months.

## Provider Transfers

You may request to transfer your account to another provider in RIC. The providers have no withdrawal fees or restrictions on transfers.

## Additional Information

For additional information, visit our website at <http://ric.iowa.gov/457/>. If you have questions, please call 515-242-6846 or toll free at 866-460-4692 or email [robbie.stoecker@iowa.gov](mailto:robbie.stoecker@iowa.gov).